

NATIONAL DAIRY MARKET AT A GLANCE**CHICAGO MERCANTILE EXCHANGE (CME) CASH MARKETS (4/30):**

**BUTTER:** Grade AA closed at \$.9700. The weekly average for Grade AA is \$.9733 (-.0534).

**CHEESE:** Barrels closed at \$1.2300 and blocks at \$1.2975. The weekly average for barrels is \$1.2370 (-.0270) and blocks, \$1.2980 (-.0320).

**NONFAT DRY MILK:** Extra Grade closed at \$1.0150 and Grade A at \$1.0500. The weekly average for Extra Grade is \$1.0150 (N.C.) and Grade A is \$1.0500 (N.C.).

**BUTTER:** The market tone remains unsettled and weak. Churning schedules across the country are reported to be seasonally active. Cream volumes are readily available to local churns with some producers procuring additional volumes to maintain full operations. Butter stocks are fully sufficient to meet current buyer interest. In many areas of the country, buyers are somewhat hesitant to place too large an order because of the possibility of further price declines, thus some buyers are placing smaller orders more often.

**CHEESE:** The cheese market is weak and cash prices are lower on both blocks and barrels. Many buyers have backed off on process and packaged cheese purchases in anticipation of potential additional price declines. Offerings are increasing at some plants. Cheese production remains seasonally active. Revised 1998 U.S. cheddar production was increased to 2.645 billion pounds, 5.148 million pounds (0.2%) more than 1997. Total cheese output in 1998 was revised to 7.502 billion pounds, 171.5 million pounds (2.3%) over the 1997 estimate.

**FLUID MILK:** Milk production remains strong and well above year ago levels in many major milk producing areas. In the West, levels are often double-digit higher than last year. Southwestern states are seeing slight rebounds from heat induced declines that were common last week. In the Northwest, patterns are typical with recent weeks and continue to be affected by wet weather conditions. Midwestern production levels are

increasing week by week and concerns grow about handling milk during the peak of production. Milk output in the East is increasing along seasonal lines. The Northeast is increasing toward peak levels. Areas of the Southeast are higher this week as weather conditions are wetter and cooler. More loads were shipped out of Florida to find processing capacity. Cream demand is fair to good from ice cream producers taking advantage of lower prices. Cream continues to go to the churn to balance supplies.

**DRY PRODUCTS:** Nonfat dry milk prices remain at weak levels, trading around the support price of \$1.0100 per pound in all regions. Sales are often limited beyond immediate needs. Last week, twenty-one U.S. Representatives introduced H.R. 1535, a bill to extend the milk price support program through 2002 at the rate in effect for 1999. The bill was referred to the House Committee on Agriculture. Dry buttermilk prices remain weak as churning continues active. Dry whey markets are showing weakness in the West and Midwest. Supplies are outpacing demand. WPC markets are weak and unaggressive. Supplies are available from most sources. Lactose prices are steady with an unsettled tone.

**COMMERCIAL DISAPPEARANCE (ERS & AMS):** Commercial disappearance of dairy products during the period of December 1998 to February 1999 totals 38.5 billion pounds, 2.8% more than the comparable period a year earlier. Comparing disappearance levels with a year ago: American cheese, other cheese, and NDM were higher, while butter and fluid milk products are lower.

**CONSUMER PRICE INDEX (BLS):** The March Consumer Price Index (CPI) for all food is 163.3, up 2.3% from March 1998. The dairy products index at 161.5, is up 8.8% from a year ago. The March to March changes in selected dairy products are: fresh whole milk +10.8%, cheese +7.9%, and butter +15.4%.

**CCC:** During the week of April 26 - 30, CCC net purchases of NDM totaled 6,649,491 pounds. Cumulative purchases since October 1, 1998 total 68,457,859 pounds, up 17.8% from the same period a year earlier.

## \*\*\*\*SPECIALS THIS ISSUE\*\*\*\*

BUTTER AND BFP FUTURES (PAGE 7)

INTERNATIONAL DAIRY MARKET NEWS (PAGE 8)

CONSUMER PRICE INDEX (PAGE 9)

COMMERCIAL DISAPPEARANCE (PAGE 9)

DAIRY GRAPHS (PAGE 10)

FEDERAL ORDER REFORM FINAL DECISION DATA (PAGES 11 - 12)

**CHICAGO MERCANTILE EXCHANGE  
CASH TRADING**

CHEESE: carload = 40,000-44,000 lbs., NONFAT DRY MILK: carlot = 42,000-45,000 lbs., BUTTER: carlot = 40,000-43,000 lbs.

PRODUCT	MONDAY APRIL 26	TUESDAY APRIL 27	WEDNESDAY APRIL 28	THURSDAY APRIL 29	FRIDAY APRIL 30	WEEKLY CHANGE*	WEEKLY AVERAGE#
CHEESE							
BARRELS	\$1.2475 (-.0025)	\$1.2475 (N.C.)	\$1.2300 (-.0175)	\$1.2300 (N.C.)	\$1.2300 (N.C.)	-.0200	\$1.2370 (-.0270)
40# BLOCKS	\$1.3000 (-.0300)	\$1.2975 (-.0025)	\$1.2975 (N.C.)	\$1.2975 (N.C.)	\$1.2975 (N.C.)	-.0325	\$1.2980 (-.0320)
NONFAT DRY MILK							
EXTRA GRADE	\$1.0150 (N.C.)	\$1.0150 (N.C.)	\$1.0150 (N.C.)	\$1.0150 (N.C.)	\$1.0150 (N.C.)	N.C.	\$1.0150 (N.C.)
GRADE A	\$1.0500 (N.C.)	\$1.0500 (N.C.)	\$1.0500 (N.C.)	\$1.0500 (N.C.)	\$1.0500 (N.C.)	N.C.	\$1.0500 (N.C.)
BUTTER							
GRADE AA	\$.9900 (-.0300)	-----	\$.9600 (-.0300)	-----	\$.9700 (+.0100)	-.0500	\$.9733 (-.0534)

\*Sum of daily changes. # Weekly averages are simple averages of the daily closing prices for the calendar week. Computed by Dairy Market News for informational purposes. This data is available on the Internet at [WWW.AMS.USDA.GOV/MARKETNEWS.HTM](http://WWW.AMS.USDA.GOV/MARKETNEWS.HTM)

## CHICAGO MERCANTILE EXCHANGE

Trading Activity - April 26 - 30, 1999

MONDAY, APRIL 26, 1999

CHEESE -- SALES: 1 CAR BARRELS @ \$1.2475; 10 CARS 40# BLOCKS: 1 @ \$1.3250, 5 @ \$1.3275, 2 @ \$1.2950, 1 @ \$1.3025, 1 @ \$1.3000; BIDS UNFILLED: NONE; OFFERS UNCOVERED: 15 CARS 40# BLOCKS: 3 @ \$1.3025, 5 @ \$1.3050, 7 @ \$1.3300  
 NONFAT DRY MILK -- SALES: NONE; BIDS UNFILLED: NONE; OFFERS UNCOVERED: NONE  
 BUTTER -- SALES: 2 CARS GRADE AA @ \$1.0000; BIDS UNFILLED: 7 CARS GRADE AA: 1 @ \$0.9700, 1 @ \$0.9600, 4 @ \$0.9500, 1 @ \$0.9000; OFFERS UNCOVERED: 8 CARS GRADE AA: 1 @ \$0.9900, 7 @ \$1.0200

TUESDAY, APRIL 27, 1999

CHEESE -- SALES: 11 CARS 40# BLOCKS: 1 @ \$1.2900, 1 @ \$1.2950, 1 @ \$1.2975, 1 @ \$1.2950, 1 @ \$1.2975, 3 @ \$1.2950, 1 @ \$1.2975, 1 @ \$1.2950, 1 @ \$1.2975; BIDS UNFILLED: NONE; OFFERS UNCOVERED: 11 CARS 40# BLOCKS: 5 @ \$1.2975, 6 @ \$1.3000  
 NONFAT DRY MILK -- SALES: NONE; BIDS UNFILLED: NONE; OFFERS UNCOVERED: NONE

WEDNESDAY, APRIL 28, 1999

CHEESE -- SALES: 2 CARS 40# BLOCKS: 1 @ \$1.2900, 1 @ \$1.2975; BIDS UNFILLED: NONE; OFFERS UNCOVERED: 6 CARS BARRELS: 1 @ \$1.2300, 5 @ \$1.2475; 2 CARS 40# BLOCKS @ \$1.2975  
 NONFAT DRY MILK -- SALES: NONE; BIDS UNFILLED: NONE; OFFERS UNCOVERED: NONE  
 BUTTER -- SALES: 6 CARS GRADE AA: 5 @ \$0.9700, 1 @ \$0.9600; BIDS UNFILLED: 11 CARS GRADE AA: 4 @ \$0.9600, 7 @ \$0.9500; OFFERS UNCOVERED: 10 CARS GRADE AA: 6 @ \$0.9900, 1 @ \$1.0000, 1 @ \$1.0100, 1 @ \$1.0200, 1 @ \$1.0300

THURSDAY, APRIL 29, 1999

CHEESE -- SALES: 2 CARS 40# BLOCKS: 1 @ \$1.2950, 1 @ \$1.2975; BIDS UNFILLED: NONE; OFFERS UNCOVERED: 4 CARS 40# BLOCKS @ \$1.2975  
 NONFAT DRY MILK -- SALES: NONE; BIDS UNFILLED: NONE; OFFERS UNCOVERED: NONE

FRIDAY, APRIL 30, 1999

CHEESE -- SALES: 6 CARS 40# BLOCKS: 1 @ \$1.2950, 1 @ \$1.2975, 1 @ \$1.2950, 1 @ \$1.2975, 1 @ \$1.2950, 1 @ \$1.2975; BIDS UNFILLED: NONE; OFFERS UNCOVERED: 2 CARS BARRELS: 1 @ \$1.2300, 1 @ \$1.2400; 4 CARS 40# BLOCKS @ \$1.2975  
 NONFAT DRY MILK -- SALES: NONE; BIDS UNFILLED: NONE; OFFERS UNCOVERED: NONE  
 BUTTER -- SALES: 15 CARS GRADE AA: 4 @ \$0.9700, 1 @ \$0.9600, 2 @ \$0.9700, 4 @ \$0.9725, 4 @ \$0.9700; BIDS UNFILLED: 19 CARS GRADE AA: 4 @ \$0.9700, 1 @ \$0.9625, 3 @ \$0.9600, 4 @ \$0.9500, 2 @ \$0.9400, 5 @ \$0.9300; OFFERS UNCOVERED: 8 CARS GRADE AA: 5 @ \$1.0200, 1 @ \$1.0600, 1 @ \$1.0700, 1 @ \$1.0800

## BUTTER MARKETS

## NORTHEAST

The market tone remains mixed. Production levels are heavy as milk and cream supplies are heavy and most butter/powder plants are operating at capacity levels. Typically, Northeastern plants do not handle volumes of milk as heavy as this until late May or early June. Butter stocks are more than ample for the current slow to fair demand. Some buyers are temporarily stepping back from the market to see where prices will settle. With closing prices at the CME moving higher and lower during the past few weeks, buyers/users are proceeding with caution.

## CENTRAL

Recent CME cash butter price declines are slowing overall butter sales. Buyers that have the option to hold off purchasing butter are limiting their purchases as the overall tone to the current butter market is weak. Many buyers are limiting their purchases to short term or immediate needs. Churning schedules are seasonally quite active. Cream volumes remain readily available to local churns with some plant managers looking for additional volumes to maintain full production schedules. Ice cream production has not increased greatly, thus butter operations are able to take full advantage of available cream supplies at this time. Butter stocks are reported to be readily available for current needs with additional volumes being held for future needs.

## WEST

Bulk butter sales activity from the Western region is about steady even with the lower prices noted at the CME (-14 cents over the last few weeks). Prints are clearing quite well. Very little feature activity is noted because of the unsettledness in the market. Cream supplies are heavy and there is very little going to any outlet outside of the churn. Many contacts are surprised that more ice cream interest for cream has not developed by this time. The main culprit seems to be cooler and wetter than normal conditions. Milk production is very strong through the entire region. Hence, cream supplies are readily available at very reasonable prices.

WHOLESALE SELLING DIFFERENTIALS, F.O.B. PRODUCING PLANTS,  
TRUCKLOAD QUANTITIES.

\*\*\*DUE TO A LACK OF CONSENSUS ON THE PART OF PRODUCERS AND BUYERS ABOUT THE BASING POINT FOR BULK BUTTER SALES (PREVIOUS FRIDAY'S CLOSE, PREVIOUS WEEK'S AVERAGE, DATE OF SALE, DATE OF SHIPMENT, ETC.), DAIRY MARKET NEWS IS TEMPORARILY SUSPENDING THE REPORTING OF PREMIUMS OR DISCOUNTS.\*\*\*

**NASS DAIRY PRODUCT PRICES**  
U.S. AVERAGE AND TOTAL POUNDS

WEEK ENDING	CHEESE		NDM	BUTTER	DRY WHEY
	40# BLOCKS	BARRELS 39% MOISTURE			
APRIL 24	1.3136 5,368,965	1.2773 11,343,341	1.0045 19,130,305	1.0363 6,018,741	0.1757 5,146,469

Further data and revisions may be found on the internet at: <http://jan.mannlib.cornell.edu/reports/nassr/price/dairy>

## CHEESE MARKETS

## NORTHEAST

Process cheese prices are generally 2 cents lower and natural types are unchanged. The market tone is a little unsettled. Contacts wonder how long the 40# block price can hold at its current level considering the declining barrel price and the increasing volumes of milk that cheese plants are processing. Cheese sales have been fairly good at most Eastern plants, but stocks are growing at some locations. Retail and food service orders are generally steady.

WHOLESALE SELLING PRICES: DELIVERED,  
DOLLARS PER POUND (1000 - 5000 POUNDS MIXED LOTS)

Cheddar 10# Prints	: 1.3300-1.8175
Cheddar Single Daisies	: 1.3025-1.8175
Cheddar 40# Block	: 1.4725-1.6175
Process 5# Loaf	: 1.4600-1.6100
Process 5# Sliced	: 1.4800-1.7100
Muenster	: 1.5100-1.8125
Grade A Swiss Cuts 10 - 14#	: 2.3500-2.5500

## MIDWEST

The cheese market is weak. Both barrel and 40# cheddar block prices declined at the Chicago Mercantile Exchange cash market. Blocks declined on April 26, after holding at \$1.33 since February 11. Buyers continue to hold back orders, anticipating additional potential weakness. Offerings at most plants are increasing, reflecting slower movement. Mozzarella sales are lagging for many producers as demand shifts seasonally. Swiss movement is fair to good as producers and customers adjust to current prices. Cheese production remains well above year ago levels with milk intakes steady to slightly higher. Surplus milk offerings have not been nearly as burdensome in the eastern part of the region (IN, OH) compared to Wisconsin and Minnesota. Revised 1998 U.S. cheddar production was increased 14.0 million pounds from the initial estimate to 2.645 billion pounds, 0.2% more than 1997. Total cheese output in 1998 was revised to 7.502 billion pounds, up 19.2 million pounds from the initial estimate and 2.3% over the 1997 estimate.

WISCONSIN WHOLESALE SELLING PRICES: DELIVERED,  
DOLLARS PER POUND (1000 - 5000 POUNDS MIXED LOTS)

Process American 5# Loaf	: 1.4450-1.6800
Brick And/Or Muenster 5#	: 1.6800-1.8000
Cheddar 40# Block	: 1.5925-2.1150
Monterey Jack 10#	: 1.7825-2.1150
Blue 5#	: 1.9275-2.2400
Mozzarella 5 - 6# (Low Moisture, Part Skim)	: 1.6625-2.2150
Grade A Swiss Cuts 6 - 9#	: 2.3400-2.6850

## MIDWEST COMMODITY CHEDDAR

Dollars per pound, standard moisture basis (37.8-39.0%),  
carlot/trucklot, F.O.B. plants or storage centers.

CHEDDAR STYLES	: APRIL 26 - 30, 1999
BARRELS*	: \$1.2550 - 1.2775 (NOMINAL)
	: (-\$.0200) (-.0200)
40# BLOCKS	: \$1.2875 - 1.3600 (NOMINAL)
	: (-.0325)

( ) Change from previous week. \* If steel, barrel returned.

## WEST

Process and Swiss prices declined while natural prices held relatively steady. Contacts feel that both barrel and block prices could decline somewhat further. With this in mind, some buyers continue to delay purchases. Processors continue to clear up any barrel offerings quite easily along with much of the downgraded processing solids. Pipelines were empty enough that this process may take a while yet. Many manufacturers are now willing to discount any undergrade blocks to keep them out of the warehouse. Top quality is moving quite well. Production is seasonally heavy. Demand for mozzarella from pizza manufacturers remains quite strong. Cheese continues to move across the country to fill this need.

WHOLESALE SELLING PRICES: DELIVERED, DOLLARS PER POUND  
(1000 - 5000 POUNDS MIXED LOTS)

Process 5# Loaf	: 1.4175-1.6725
Cheddar 40# Block	: 1.4525-1.5925
Cheddar 10# Cuts	: 1.6425-1.8525
Monterey Jack 10#	: 1.6625-1.8150
Grade A Swiss Cuts 6 - 9#	: 2.3000-2.4400

## FOREIGN

Prices are again unchanged and the market tone is steady. It has been since early February since there has been a change on the 40# block price at the CME. This is the basis for most domestic-made, foreign type cheeses. Stocks of both imported and domestic styles range from light to adequate for the slow to fair demand.

WHOLESALE SELLING PRICES: FOB DISTRIBUTORS DOCK  
DOLLARS PER POUND (1000 - 5000 POUNDS, MIXED LOTS)

VARIETY	NEW YORK	
	IMPORTED	DOMESTIC
	:	:
Roquefort	: 5.5000-6.8900	: -0-
Blue	: 2.6400-3.1400	: 1.6650-2.2750
Gorgonzola	: 3.2400-5.9400	: 2.3200-2.4900
Parmesan (Italy)	: TFEWR	: 3.0750-3.1050
Romano (Italy)	: 2.1000-2.9000	: -0-
Provolone (Italy)	: 3.4400-5.5000	: 1.6650-1.9550
Romano (Cows Milk)	: -0-	: 2.8450-5.0800
Sardo Romano (Argentina)	: 2.6500-3.2900	: -0-
Reggianito (Argentina)	: 2.6500-3.2900	: -0-
Jarlsberg-(Brand)	: 2.7400-3.1200	: -0-
Swiss Cuts Switzerland	: -0-	: 2.3500-2.5500
Swiss Cuts Finnish	: 2.5900-2.8500	: -0-
Swiss Cuts Austrian	: 2.2500-2.7500	: -0-
Edam	:	:
2 Pound	: TFEWR	: -0-
4 Pound	: 2.1900-3.0900	: -0-
Gouda, Large	: 2.3900-3.1500	: -0-
Gouda, Baby (\$/Dozen)	:	:
10 Ounce	: 27.8000-31.7000	: -0-

\* = Price change.

WEEKLY COLD STORAGE HOLDINGS - SELECTED STORAGE CENTERS  
IN THOUSAND POUNDS - INCLUDING GOVERNMENT STOCKS

	BUTTER	CHEESE
	:	:
04/26/99	14,066	: 112,251
04/01/99	16,885	: 104,310
CHANGE	-2,819	: 7,941
% CHANGE	-17	: 8

## FLUID MILK AND CREAM

## E A S T

Milk production is steady to seasonally heavier in the East. Some scattered rainfall in the Southeast and particularly Florida, is bringing some relief to the drought conditions. Temperatures are still quite moderate and milk output is holding up very well for this time of year. In other Southeastern States, milk output is holding as mild temperatures prevail. In the Middle Atlantic and Northeast, milk production is still increasing toward its seasonal peak. In all areas, the continued low grain and feed costs are helping keep milk production well above year ago levels. Bottled milk sales are holding up fairly well. Florida contacts report that most winter residents have left and retail milk sales are nearing typical summer levels. Handlers in Florida shipped approximately 80-85 loads of milk out of state for processing. This compares to about 45-50 loads last week and 75 loads during the same week last year. Manufacturing plants are operating at or near capacity levels, but a few Southeastern plants did get a little down time this week. In the Northeast, surplus milk volumes are heavy and some plants are processing at near record levels. The condensed skim market is little changed this week, but with butter prices at the CME dropping, suppliers state that wet solids prices will have to move upward in the near future. This is also coupled with the higher Class II milk price for May. Demand for condensed skim is fair. The Fluid cream market is mixed, but more suppliers do report a little tighter situation. Some buyers/traders were looking for several loads early in the week, but they feel supplies will loosen up later in the week. With butter prices falling, spot demand from ice cream makers is expected to improve as they take advantage of the drop in fat costs. Spot prices are often lower because of the drop in butter prices, but multiples are occasionally higher. Bottled cream sales are slow to fair. Cream cheese and sour cream production is moderate to heavier. Churning activity is unchanged at moderate to heavy levels.

## FLUID CREAM AND CONDENSED SKIM PRICES IN TANKLOT QUANTITIES

## SPOT PRICES OF CLASS II CREAM, \$ PER LB BUTTERFAT

F.O.B. Producing Plants: Northeast	-	1.2320 - 1.3860
Delivered Equivalent Atlanta	-	1.2320 - 1.3552 M 1.2636 - 1.3347
F.O.B. Producing Plants: Upper Midwest	-	1.2750 - 1.3450

## PRICES OF CLASS II CONDENSED SKIM, \$ PER LB WET SOLIDS

F.O.B. Producing Plants: Northeast	-	.8400 - 1.2500
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## M I D W E S T

## WISCONSIN SPOT SHIPMENTS:

SPOT SHIPMENTS:	LOADS
APRIL 23 - 29, 1999	0
PREVIOUS WEEK	0
COMPARABLE WEEK IN 1998	0

Class I sales are irregular, affected negatively by the occasional school system on spring break, and positively where retail feature activity is occurring. Class II use has been generally good for April. Ice cream interest has been strong and most fluid features seem to have been on reduced fat milk in order to generate extra cream for ice cream producers. Lower cash butter prices at the Chicago Mercantile Exchange are reflected in the cream prices. Manufacturing plants continue to operate on extended schedules in Wisconsin, Minnesota, and Iowa, less surplus seems to be available in Michigan, Indiana and Ohio. Local surplus milk prices in the harder pressed area runs from offers of \$2.00 under class delivered, to sales of \$0.75 - 0.50 under class delivered to flat class/MCP. Unconfirmed offers of even lower prices for milk produced in the Southwest were received. More than one plant

operator within the upper Midwest is concerned with having the capacity to handle their own milk this spring, especially with some patron herd expansions coming on. Milk intakes are generally increasing on a week to week basis. Fat and protein tests are trending lower seasonally. Rain and wet fields have stymied farmers in some areas but tillage equipment and planters in more northern sections are moving. Grass growth is picking up, but supplemental feeding is generally still needed.

## WISCONSIN LIVESTOCK AUCTIONS (PER CWT.)

	APRIL 22 - 28	PREVIOUS YEAR
SLAUGHTER COWS	\$ 34.00- 39.00	\$ 35.00- 40.00
REPLACEMENT HEIFER CALVES	\$195.00-260.00	\$105.00-165.00

## SOUTH ST. PAUL TERMINAL AUCTION MARKET (PER CWT.)

	APRIL 22 - 28	PREVIOUS YEAR
SLAUGHTER COWS	\$ 30.00- 41.00	\$ 36.00- 41.00

## W E S T

March pool receipts of milk in California total 2.556 billion pounds, up 14.3% from last year. Cumulative pool output through the first three months of 1999 totals 7.153 billion pounds, up 10.7% from the same period in 1998. The March blend price is \$14.02, at a fat test of 3.67%, which is 20 cents lower than February. The percentage of receipts used in Class I products is 21.47%. The March quota price is \$14.86 and the base and overbase prices are \$13.16. These prices are four cents lower than last month but 67 cents higher than March 1998. The milk flow continues to outpace year ago levels in the Southwest. Temperatures returned to milder levels across most areas that were experiencing warmer weather last week. Milk volumes had dipped last week, but returned to higher levels this week. Moderate temperatures over most areas of the state are allowing for good milk producing levels. The most northern and most southern areas are noted to be seeing the biggest milk production changes over last year. Haying is progressing well and baling and green chopping are proceeding north. Arizona temperatures also cooled and milk production rebounded from declines last week. The availability of feed at affordable prices continues to influence milking and culling patterns. The situation is similar in New Mexico and milk continues to move to surplus outlets within and out of state. Cream markets are unsettled. The decline in the butter price at the CME, coupled with lower multiples, is providing more cream to butter churns. The trade is cautious as milk production remains strong and butter prices drop. People are reevaluating their level of expectations for butter prices later this year. Milk output continues to be very strong in the Pacific Northwest. Those areas that are more pasture based are suffering somewhat from cooler and wetter than normal conditions. Pasture growth is very slow and fields are really too wet to be grazed efficiently. Output is below expectations in these areas. Further east, conditions are supporting higher milk flow. More field work is getting done and corn is being planted. Cream offerings are heavy as interest from ice cream operations is slow to develop this spring. Most is going to the churn and they are not always eager to take it. Growing conditions are slow in Utah and Idaho. Temperatures are cool and moisture levels are above normal. Early spring field work is taking place between the rain and snow showers. Alfalfa growth is quite slow at this stage of the season. Milk output is strong and is expected to remain that way for the foreseeable future. A number of plants within the region are contemplating expansion plans and a new condensing plant has broken ground in the Magic Valley.

**CENTRAL AND WEST DRY MILK PRODUCTS**

All reports, except California manufacturing plants, were released 04/29/99 and represent FOB Central and Western production areas. Prices represent CL/TL quantities in 50 lb., 100 lb., or 25 kg. bags, spray process, dollars per pound.

**NONFAT DRY MILK - CENTRAL**

Prices are unchanged to instances higher on a weak market. Offers continue to be made to the government by Western producers. No offers were made this week by Midwest producers. An improved demand in instant milk due to Y2K tightened the price range. Overall trade is light with regular commitments and government supports clearing product the best. Strong milk production is encouraging a steady supply of NDM. Inventories are fully adequate and building. Drying schedules are heavy with no anticipated breaks before the spring flush.

Includes EXTRA GRADE and GRADE A, low and medium heat

NONFAT DRY MILK: 1.0100 - 1.0375 MOSTLY: 1.0100 - 1.0150

**DRY BUTTERMILK - CENTRAL**

Prices remain unchanged and the market tone is weak. Many contacts report that buttermilk can be traded below the range, yet no sales have been confirmed. Offerings are readily available for the lackluster demand. Offers have also been noted below the range. Producers continue to move as much condensed as possible before utilizing dryers. Ice cream interest remains minimal. Churning activity is heavy as inventories continue to build.

BUTTERMILK: .6800 - .7400

**DRY WHEY - CENTRAL**

Prices are unchanged on a weak market. The supply of condensed whey is still plentiful and difficult to move into dryers or distribution. Whey prices have not been this low since May of 1997 when the monthly average was 17.55 cents. Excess supplies of milk taken in by cheese producers offer an ample production of whey. Movement is best on contracts with spot demand at a minimum. Some buyers are anticipating lower prices yet as offers are readily noted at the lower end of the range. Feed buyers are often indifferent of feed versus edible product as the prices are comparable. Contacts are not anticipating any improvement in demand until after the flush or ice cream production improves. Drying schedules are heavy with inventories fully adequate and building.

NONHYGROSCOPIC: .1500 - .1875 MOSTLY: .1700 - .1775

**ANIMAL FEED WHEY - CENTRAL**

Trade reported is marginal due to the ADPI conference. Prices are unchanged on a steady to weak market. Because of the comparable price levels and the abundance of product, edible whey is moving into feed channels, limiting market movement for feed whey. Demand is light and best for producers who base their sales on contracts. Farrowings in the hog industry have kept some producer supplies in balance. Veal production for March totaled 20 million pounds, 12 percent below the previous record low for March set a year ago. Calf slaughter totaled 117 thousand head, down 8 percent from March 1998. Animal feed whey production is steady and offers are adequate.

MILK REPLACER: .1200 - .1675  
STANDARD: TFEWR  
ROLLER GROUND: .1700 - .1900  
DE LACTOSE (Min. 20% protein): .2900 - .3375

**LACTOSE - CENTRAL AND WEST**

Prices are unchanged on a generally steady market. Production remains moderate to heavy as some plants continue to operate at capacity levels. Demand is mixed and best into exports. Some contacts see the market as "soft" with trade available at the lower end of the range. Others report a limited supply with prices moving within the mostly or above. Inventories are in balance to instances tight.

Including spot sales and up to 3 month contracts. Mesh size 30 - 100.

EDIBLE: .1500 - .2050 MOSTLY: .1600 - .1700

**WHEY PROTEIN CONCENTRATE - CENTRAL AND WEST**

Prices are lower on a weak market. Trade reported is marginal due to the ADPI conference. Prices have not been this low since June of 1992 when the monthly average was 46.07 cents. Buyers continue to survey the market in an attempt to see where prices will settle. Some producers report that condensed WPC has "firmed up some" encouraging a form of stability to the market. Others see the market as soft with plenty of product and producing on a "hand to mouth" basis. Demand is slow and production is steady. Inventories are fully adequate and building. Offerings are noted mostly at the lower end of the range.

EXTRA GRADE 34% PROTEIN: .4000 - .4925 MOSTLY: .4475 - .4725

**NONFAT DRY MILK - WEST**

Western NDM prices are unchanged for both price series. The market tone remains weak. Buying interest remains subdued. Spot demand is limited mainly to current needs. Offerings are available from producers, resellers, and other regions. NDM is slow to move out of the region as prices are competitive there and freight costs make trades there prohibitive. Several contacts continue to note lower priced product they are competing with and losing sales. Offerings to the government continue at a brisk pace and bagging continues. During the week of April 19 - 23, CCC net purchases totaled 7,421,370 pounds with 5,971,185 from Western producers. Last week, twenty-one U.S. Representatives introduced H.R. 1535, a bill to extend the milk price support program through 2002 at the rate in effect for 1999. The bill was referred to the House Committee on Agriculture.

Includes EXTRA GRADE and GRADE A

LOW/MEDIUM HEAT: .9800 - 1.0200 MOSTLY: 1.0000 - 1.0100  
HIGH HEAT: 1.0300 - 1.0400

**DRY BUTTERMILK - WEST**

Western dry buttermilk prices are unchanged and the tone remains weak. Demand continues light and offerings are available from most sources in the region. Heavy churning schedules and lack of condensed buttermilk orders combine to keep drying schedules at high levels. Stocks are moderate to heavy and slow to clear.

BUTTERMILK: .6600 - .7100 MOSTLY: .6700 - .6800

**DRY WHEY - WEST**

Western whey prices continue to decline. Stocks are becoming more of a concern at many manufacturing operations. Production is above expectations at most plants. Alternative outlets for whey solids are not a good option at this time. Overall domestic demand for whey is steady at best, but there is much more competition from powder produced in the Midwest. Generally, normal account, export sales continue to occur, but volumes are lower because of continued financial concerns and less demand from animal feed users. There continues to be a weak undertone to the market.

NONHYGROSCOPIC: .1700 - .2000 MOSTLY: .1700 - .1825

**CALIFORNIA MANUFACTURING PLANTS**

The weighted average price for Extra Grade and Grade A Nonfat Dry Milk for the seven day period ended April 23, on powder sales of 11,315,122 pounds f.o.b. California manufacturing plants was \$1.0063 per pound. This compares to 11,002,268 pounds at \$1.0116 for the previous week ending April 16, 1999. Prices for both periods were influenced by the effect of long-term contract sales. Compiled by the Dairy Marketing Branch, California Department of Food and Agriculture.

**NORTHEAST, SOUTHEAST, AND NATIONAL MILK PRODUCTS**

All reports represent carlot/trucklot quantities in 50 lb., 100 lb., or 25 kg. bags, spray process, dollars per pound, unless otherwise specified. Delivered Southeast is delivered equivalent Atlanta.

**NONFAT DRY MILK - NORTHEAST AND SOUTHEAST**

Prices and the market tone are unchanged. Many producers, traders, and users were attending this week's ADPI meetings in Chicago. From conversations at this meeting, there is little change in the NDM market. Production remains heavy as surplus milk volumes are very heavy and butter/powder plants are generally full. Demand is mostly for immediate needs. Some existing DEIP contracts are being filled, but domestic sales are slow. Stocks are accumulating at some plants. Although no Eastern NDM is being offered to CCC, an increasing number of Midwestern facilities (no new producers) have offered powder to CCC.

Includes EXTRA GRADE AND GRADE A

**F.O.B. NORTHEAST:**

LOW/MEDIUM HEAT: 1.0100 - 1.0600 MOSTLY: 1.0150 - 1.0300

HIGH HEAT: 1.0400 - 1.1300 MOSTLY: 1.0600 - 1.0900

**DELVD SOUTHEAST:**

ALL HEATS: 1.0375 - 1.1300

**DRY BUTTERMILK - NORTHEAST AND SOUTHEAST**

Prices and the market tone are steady. Churning activity in the East is moderate to heavy and buttermilk is readily available to local dryers. Some ice cream producers have increased demand for liquid buttermilk along seasonal patterns which eases the pressure on dryers. Producer stocks range from balanced to fully adequate. They are trying to keep it moving to avoid building stocks. Demand is seldom better than slow.

F.O.B. NORTHEAST: .6900 - .7200

DELVD SOUTHEAST: .7100 - .7650

**DRY WHOLE MILK - NATIONAL**

Prices and the market tone are unchanged. Production levels are steady to lighter. Plants that switched to making dry whole milk last week are back to making NDM this week. Their needs were met and milk supplies are growing. Domestic demand is slow to fair and new export interest is limited. Producer stocks are closely balanced.

F.O.B. PRODUCING PLANT: 1.1300 - 1.3550

**DEIP BID ACCEPTANCE SUMMARY**

JULY 1, 1998 THROUGH APRIL 22, 1999  
WITH CHANGES FROM PREVIOUS REPORT

NONFAT DRY MILK	--	84,212 MT*	(185,653,773 LBS)
WHOLE MILK POWDER	--	5,003 MT*	(11,029,613 LBS)
CHEESE	--	3,011 MT	(6,638,051 LBS)
BUTTERFAT	--	395 MT	(870,817 LBS)
REALLOCATED NDM	--	26,258 MT*	(57,888,386 LBS)

Allocations for the DEIP year beginning July 1, 1998, are:  
Nonfat dry milk - 84,212 MT; Whole Milk Powder - 5,003 MT;  
Cheese - 3,350 MT; Butterfat - 29,854 MT.

\* Program allocations and reallocated volumes have been filled.

**DRY WHEY - NORTHEAST AND SOUTHEAST**

Grade A prices are again fractionally lower while Extra Grade prices are unchanged. Extra Grade suppliers note that they feel they were already "below the market" and are trying to hold prices. Many contacts were attending the annual ADPI meetings this week and most did not seem too optimistic about this market. Production levels are heavy and stocks are growing. Domestic demand is lackluster and mostly for immediate needs. Some export interest was discussed, but new interest and volumes are lighter than desired.

F.O.B. NORTHEAST: EXTRA GRADE .1650 - .1725

USPH GRADE A .1850 - .1950

DELVD SOUTHEAST: .1900 - .2175

**ANIMAL FEED WHEY - NORTHEAST**

Prices are still too few to report. There is little change in this market. Offerings of dry whey, both "down graded" and Extra Grade are more than adequate to meet the current, slow demand from feed makers.

F.O.B. NORTHEAST: MILK REPLACER TFEWR

**EVAPORATED MILK - NATIONAL**

Prices are unchanged and the market tone is steady. Demand for canned evaporated milk is slow to fair and mostly for replacement needs. Production is moderate to heavy. Some operations are full enough with their own milk, while others are taking advantage of some of the excess milk that is available at attractive prices.

DOLLARS PER 48 - 12 FLUID OUNCE CANS PER CASE DELIVERED  
MAJOR U.S. CITIES \$22.00 - 33.00

Excluding promotional and other sales allowances. Included new price announcements.

**CASEIN - NATIONAL**

Casein markets remain weak although prices are unchanged. Contacts are indicating that competitively priced casein is readily available at this time. Most feel that prices will continue to be quite competitive for the balance of the quarter and many feel through the balance of the year. Stocks are reported to be readily available on a contractual and spot basis. Casein imports for the first month of 1999 totaled 4,151,301 kg, 35% lighter than January of 1998. During the 12 months of 1998, casein imports totaled 70,394,421 kg, nearly 4 million kg (8%) more than in the previous 12 months of 1997.

SPOT SALES AND UP TO 3 MONTH CONTRACTS. PRICES ARE FOR EDIBLE NONRESTRICTED AND VARY ACCORDING TO MESH SIZE AND QUALITY.

RENNET: 1.8600 - 2.0000

ACID: 1.8800 - 2.0000

## COFFEE, SUGAR, &amp; COCOA EXCHANGE (A Subsidiary of the NEW YORK BOARD OF TRADE) AND CHICAGO MERCANTILE EXCHANGE FUTURES

Selected settling prices, (open interest), and volume 1/

Month	04/14	04/15	04/16	04/19	04/20	04/21	04/22	04/23	04/26	04/27
CSCE/NYBT - BFP -- Dollars per cwt.										
APR 99	11.70 (181) 2	11.64 (181) 0	11.64 (181) 2	11.63 (181) 0	11.62 (181) 1	11.63 (181) 0	11.63 (181) 0	11.63 (181) 0	11.63 (181) 0	11.65 (181) 0
MAY 99	11.37 (112) 1	11.39 (112) 2	11.30 (112) 2	11.28 (112) 2	11.25 (117) 5	11.28 (117) 1	11.31 (117) 0	11.34 (112) 5	11.15 (113) 6	11.15 (112) 2
JUN 99	11.27 (128) 1	11.27 (128) 2	11.22 (129) 4	11.10 (129) 0	11.05 (129) 5	11.13 (129) 3	11.09 (129) 1	11.10 (128) 0	10.90 (128) 1	10.93 (127) 1
JUL 99	11.61 (71) 2	11.45 (71) 0	11.47 (71) 0	11.44 (71) 1	11.45 (70) 1	11.56 (70) 0	11.52 (70) 1	11.48 (70) 0	11.38 (70) 0	11.37 (70) 0
AUG 99	12.60 (78) 1	12.50 (79) 1	12.48 (79) 0	12.39 (79) 1	12.25 (79) 0	12.30 (80) 1	12.34 (80) 0	12.34 (80) 0	12.28 (80) 0	12.25 (80) 0
SEP 99	12.68 (76) 0	12.61 (77) 1	12.60 (77) 0	12.58 (78) 1	12.58 (79) 1	12.58 (80) 1	12.58 (80) 0	12.60 (80) 0	12.60 (80) 0	12.60 (80) 0
OCT 99	12.95 (86) 0	12.91 (86) 0	12.91 (86) 0	12.85 (86) 2	12.83 (86) 0	12.83 (86) 0	12.83 (86) 0	12.83 (86) 0	12.80 (86) 1	12.80 (86) 0
NOV 99	12.93 (50) 0	12.85 (51) 1	12.83 (51) 0	12.79 (51) 0	12.79 (51) 0	12.79 (52) 1	12.79 (52) 0	12.78 (54) 2	12.75 (54) 0	12.75 (54) 0
DEC 99	12.61 (39) 4	12.58 (39) 0	12.58 (39) 0	12.58 (40) 1	12.58 (40) 0	12.61 (42) 2	12.61 (42) 0	12.60 (43) 1	12.60 (43) 0	12.59 (45) 2
JAN 00	12.20 (8) 0	12.20 (8) 0	12.20 (8) 0	12.08 (8) 0	12.12 (8) 0	12.12 (8) 0	12.08 (8) 0	12.08 (8) 0	12.08 (8) 0	12.08 (8) 0

## CME - BUTTER -- Cents per pound

MAY 99	116.75 (91) 16	115.95 (80) 15	110.95 (87) 11	107.00 (90) 3	106.125 (91) 1	104.75 (91) 0	103.50 (93) 2	103.50 (93) 0	100.00 (105) 12	100.00 (105) 0
JLY 99	119.00 (112) 4	119.00 (112) 0	114.00 (116) 7	113.00 (123) 10	109.50 (124) 1	105.50 (129) 6	105.50 (129) 0	105.50 (129) 0	103.25 (129) 3	103.25 (129) 0
SEP 99	119.00 (195) 0	120.00 (195) 0	116.00 (198) 7	115.00 (198) 0	113.50 (198) 1	110.025 (198) 1	110.025 (198) 0	110.025 (198) 0	108.00 (200) 2	108.00 (200) 0
OCT 99	122.00 (66) 15	122.00 (66) 0	120.00 (82) 16	118.00 (87) 6	115.50 (87) 0	113.25 (87) 0	112.25 (87) 0	111.50 (87) 3	110.00 (89) 2	110.00 (89) 0

## CME - BFP -- Dollars per cwt.

APR 99	11.68 (907) 13	11.66 (907) 4	11.63 (897) 17	11.62 (900) 8	11.62 (899) 4	11.62 (897) 8	11.62 (892) 0	11.62 (891) 5	11.61 (888) 4	11.60 (894) 25
MAY 99	11.39 (818) 22	11.37 (807) 31	11.30 (822) 26	11.26 (829) 21	11.26 (829) 17	11.28 (829) 8	11.31 (826) 7	11.36 (843) 26	11.16 (850) 34	11.13 (860) 25
JUN 99	11.23 (668) 25	11.27 (682) 22	11.22 (685) 6	11.00 (687) 10	11.07 (683) 5	11.12 (689) 7	11.09 (704) 27	11.09 (704) 7	10.90 (725) 45	10.96 (743) 27
JUL 99	11.55 (529) 45	11.50 (530) 2	11.37 (531) 1	11.42 (531) 10	11.45 (530) 5	11.55 (540) 18	11.50 (540) 1	11.49 (560) 28	11.59 (612) 75	11.41 (613) 11
AUG 99	12.59 (575) 11	12.49 (580) 7	12.31 (580) 2	12.30 (587) 37	12.20 (605) 23	12.20 (605) 0	12.21 (605) 0	12.20 (612) 10	12.19 (614) 6	12.16 (615) 3
SEP 99	12.74 (362) 3	12.69 (363) 1	12.60 (367) 6	12.62 (372) 14	12.60 (375) 7	12.61 (377) 5	12.61 (377) 0	12.61 (377) 0	12.60 (378) 1	12.61 (375) 5
OCT 99	13.01 (339) 2	12.91 (340) 1	12.91 (340) 0	12.87 (340) 0	12.87 (340) 0	12.87 (341) 1	12.87 (341) 0	12.87 (341) 0	12.85 (341) 0	12.85 (341) 0
NOV 99	12.89 (258) 3	12.89 (258) 0	12.89 (258) 0	12.82 (258) 0	12.82 (258) 0	12.82 (258) 0	12.81 (258) 0	12.80 (258) 0	12.75 (258) 0	12.75 (258) 0
DEC 99	12.64 (122) 1	12.64 (122) 0	12.64 (122) 0	12.60 (124) 2	12.60 (124) 0	12.60 (124) 0	12.60 (124) 0	12.62 (124) 0	12.60 (125) 1	12.60 (125) 0
JAN 00	12.20 (16) 3	12.19 (16) 1	12.19 (16) 0	12.15 (16) 0	12.14 (17) 1	12.14 (17) 0	12.10 (17) 0	12.15 (17) 1	12.20 (28) 13	12.17 (30) 2
FEB 00						11.75 (1) 0	11.80 (1) 0	12.00 (1) 2	12.01 (1) 0	11.95 (1) 0

1/ At the CSCE/NYBT Open interest for BFP -- 100,000 pounds per contract. At the CME Open interest for BFP -- 200,000 pounds per contract.  
 For more detailed information, you may call our automated voice system at 608-224-5088 or the CSCE's Soft Fax at 212-742-6111.

**NOTE:** The CME started futures trading for dry whey and nonfat dry milk (NDM) on November 16, 1998. Up to this point, there have been no settling prices recorded for either product.

## INTERNATIONAL DAIRY MARKET NEWS

Information gathered April 19 - 30, 1999

Prices are U.S. Dollars per MT, F.O.B. port. Information gathered for this report is from trades, offers to sell, and secondary data. This bi-weekly report may not always contain the same products and/or regions. Future reports may be included or withdrawn depending on availability of information. MT = metric ton = 2,204.6 pounds.

## WESTERN AND EASTERN EUROPE

**OVERVIEW: WESTERN EUROPE:** Milk receipts at plants continue to increase as the new milk quota year begins and seasonal milk production growth builds. Although it is still early in the milk production season, European milk handlers are indicating that factors are favorable for a good start. Although temperatures remain cool, milk output is increasing slowly. Moisture conditions vary from one region to another. Some areas are realizing dryer conditions thus pastures and grazing areas are in good condition for the milk herd, while others are still reporting less desirable conditions. Stock levels of manufactured dairy products are mixed. Skim milk powder continues to clear to intervention due to increasing production and light buyer interest. European opinions on skim milk powder clearances to intervention continue to be mixed with some opinions switching to maximum levels being attained by July, which is earlier than previously projected. Increasing production and limited international buyer interest are two factors that are influencing their change in opinion. Along with slow skim milk demand, other manufactured dairy product interest is also slow to develop.

**BUTTER/BUTTEROIL:** Butter markets and prices are unchanged from past weeks. Milk production is increasing seasonally in Eastern and Western Europe, thus is butter production. Stocks of butter are building to the point that PSA and intervention offerings are very active. Demand for butter is basically limited to domestic needs with international buyer interest very limited.

82% BUTTERFAT:	1,350 - 1,500
99% BUTTERFAT:	1,650 - 1,800

**SKIM MILK POWDER (SMP):** Skim milk powder markets are generally unchanged from past weeks. Milk production is increasing in most areas of Europe, thus is powder production. Limited international sales are causing milk powder stocks to build, thus offerings to intervention continue to occur. Some European powder handlers are revising their previous intervention clearance projections. As milk production increases seasonally and with no significant international sales activity developing, more powder handlers feel that intervention maximum levels will be attained by mid summer.

1.25% BUTTERFAT:	1,210 - 1,300
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**WHOLE MILK POWDER (WMP):** Whole milk powder markets are generally steady at unchanged prices. Trading activity is slow. International buyer interest continues, but on a very limited basis. Buyer interest that does develop is quickly filled as milk production increases seasonally. At this point, whole milk powder production is low as most milk is clearing to butter/powder operations versus whole milk, unless a sale has occurred. Shipments of previously negotiated powder continues to clear the European market.

26% BUTTERFAT:	1,400 - 1,500
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**SWEET WHEY POWDER:** The whey market is much the same as other manufactured dairy product markets at this time. Sales activity, especially internationally, is slow and unaggressive. For the most part, Far Eastern buyers are the most active in this market. The next potential buyer interest from this part of the world is developing for mid May.

NONHYGROSCOPIC:	400 - 550
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**OVERVIEW: EASTERN EUROPE:** Milk production in Eastern Europe is slowly increasing. As in other areas of Europe, cooler temperatures are slowing seasonal production growth. International trade out of Eastern Europe continues, but on a very limited basis. Small lot volume buyer interest continues, but no significant sales activity is being reported. Stocks are available for potential buyer interest and will become more available as seasonal milk production builds.

## OCEANIA

**OVERVIEW:** Milk production patterns in the Oceania region of the world continue to follow the trends of all season. Australia's output is reported to be running a strong 6% higher than the previous year while New Zealand's output is lagging last years' production by 4 - 5%. Stocks of Oceania produced dairy products are reported to be in close balance to somewhat available for potential international buyer interest. At this time, ongoing trading continues to clear regular/contracted volumes from the region. No significant new international buyer interest is being acknowledged. For the most part, Oceania traders do not foresee any significant sales potential in the near future. Oceania traders are indicating that if international buyer interest should develop, European and U.S sources would also be competing with Australia and New Zealand to fill those needs.

**BUTTER:** Butter prices are steady to slightly lower. Much of the weakness is being attributed to readily available stocks and lower prices in Europe. Stock levels in the Oceania region are reported to be somewhat more available than previously felt. For the most part, current stocks are more than readily available for current ongoing needs with additional volumes available for potential new buyer interest.

82% BUTTERFAT:	1,300 - 1,500
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**CHEDDAR CHEESE:** Oceania cheddar cheese markets are generally steady at unchanged prices. Ongoing regular/contractual business continues to clear steady volumes of cheese from the region. Although new buyer interest is not active, cheese handlers report that cheese inventories are in balance and they are not concerned with uncommitted cheese inventories.

39% MAXIMUM MOISTURE:	1,750 - 1,850
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**SKIM MILK POWDER (SMP):** Skim milk powder markets are steady to weaker with prices unchanged to lower. Some Oceania traders are aligning themselves with European pricing in hopes of attracting potential buyers should international buyer interest develop. At this time, only ongoing/contractual sales are clearing the region. No significant additional buyer interest is occurring or is foreseen to be developing.

1.25% BUTTERFAT:	1,225 - 1,325
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**WHOLE MILK POWDER (WMP):** Whole milk powder markets are steady to weak with prices unchanged to lower. The milk production season is winding down in both Australia and New Zealand, thus is whole milk powder production. For the most part, stocks are reported to be in balance with current demand and traders do not foresee problems with filling ongoing needs before the startup of the new production season. International buyer interest is light and unaggressive.

26% BUTTERFAT:	1,400 - 1,550
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Exchange rates for selected foreign currencies: April 26, 1999

.4804 Dutch Guilder	.5413 German Mark
.1614 French Franc	.5486 New Zealand Dollar
.1074 Mexican Peso	.6489 Australian Dollar
1.6118 British Pound	.0084 Japanese Yen
.2500 Polish Zloty	1.0587 Euro

To compare the value of 1 US Dollar to Mexican Pesos:  $(1/.1074) = 9.3109$ . That is 1 US Dollar equals 9.3109 Mexican Pesos.

Source: "Wall Street Journal"



## CONSUMER PRICE INDEX (CPI-U) AND AVERAGE RETAIL PRICES FOR SELECTED PRODUCTS, U.S. CITY AVERAGE 1/

Month and Year	All Food		Dairy Products		Fresh Whole Milk		Cheese		Butter		Meat, Poultry, Fish and Eggs	
	CPI 2/	Pct. Chg. 3/	CPI 2/	Pct. Chg. 3/	CPI 2/	Pct. Chg. 3/	CPI 2/	Pct. Chg. 3/	CPI 2/	Pct. Chg. 3/	CPI 2/	Pct. Chg. 3/
JAN 1999	163.6	2.3	161.2	8.7	160.5	10.2	161.4	8.7	163.3	31.0	146.4	-1.3
FEB 1999	163.3	2.4	162.3	9.9	163.4	11.7	162.7	9.7	155.5	23.2	147.0	-0.3
MAR 1999	163.3	2.3	161.5	8.8	162.9	10.8	161.9	7.9	149.3	15.4	146.8	-0.3
U.S. City Average Retail Prices												
Month	Whole Milk 4/		Lowfat Milk 4/		Butter 5/		Process Cheese 6/		Natural Cheese 7/		Ice Cream 8/	
	1999	1998	1999	1998	1999	1998	1999	1998	1999	1998	1999	1998
	Dollars											
JANUARY	2.940	2.632	2.852	2.577	3.002	2.353	3.814	3.538	3.748	3.518	3.379	3.041
FEBRUARY	3.004	2.653	2.901	2.589	2.801	2.321	3.723	3.475	3.746	3.507	3.291	2.998
MARCH	3.003	2.658	2.881	2.589	2.739	2.421	3.878	3.572	3.714	3.477	3.231	2.969

NA = Not available. 1/ "CPI Detailed Report," "Consumer Prices: Energy and Food," BLS, U.S. Department of Labor. According to BLS, average prices are best used to measure the price level in a particular month. To measure price change over time, the CPI is more appropriate. 2/ The standard reference base period for these indexes is 1982-1984 = 100. 3/ Percent change over previous year. 4/ Per gallon. 5/ Per pound. Grade AA, salted, stick butter. 6/ Per pound, any size and type of package. 7/ Per pound, cheddar cheese in any size and type of package and variety (sharp, mild, smoked, etc.). 8/ Per 1/2 gallon, prepackaged regular.

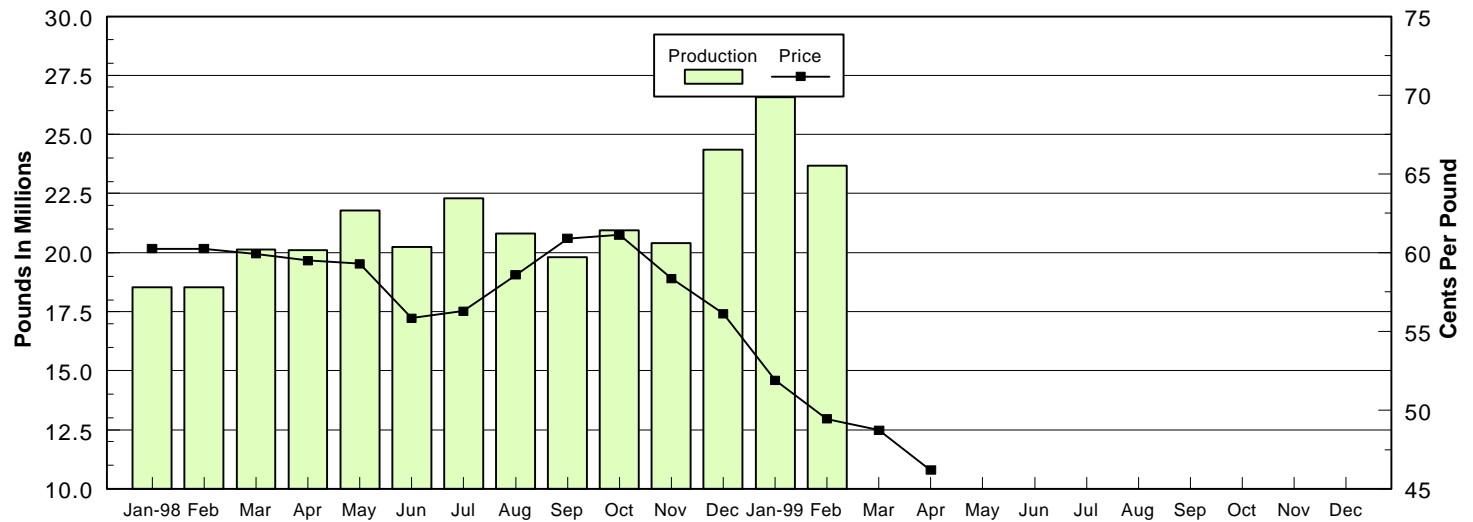
## COMMERCIAL DISAPPEARANCE: TOTAL MILK AND SELECTED DAIRY PRODUCTS-DEC.-FEB. 1998-99, AND YEAR-TO-DATE 1997-98 1/

Item	Dec.-Feb. 1997/98	Percent change 4/	Dec.-Feb. 1998/99	Percent change 4/	Jan.-Dec. 1997	Percent change 4/	Jan.-Dec. 1998	Percent change 4/
	Million Pounds							
<b>MILK</b>								
Production	38,413	0.8	39,664	3.3	156,091	1.6	157,441	0.9
Marketings	38,073	0.9	39,343	3.3	154,662	1.7	156,091	0.9
Beginning Commercial Stocks 2/	4,697	0.3	5,140	9.4	4,704	14.8	4,889	3.9
Imports 2/	753	6.7	1,121	48.9	2,696	-7.4	4,591	70.3
Total Supply 3/	43,523	0.9	45,604	4.8	162,062	1.9	165,571	2.2
Ending Commercial Stocks 2/	5,737	9.6	6,997	22.0	4,889	3.9	5,274	7.9
Net Removals 2/	316	327.0	75	-76.3	1,090	1,152.9	366	-66.4
Commercial Disappearance 3/	37,470	-0.9	38,532	2.8	156,083	1.1	159,931	2.5
<b>SELECTED PRODUCTS 5/</b>								
Butter	293.1	-11.1	277.3	-5.4	1,108.7	-5.7	1,124.4	1.4
American Cheese	822.5	0.2	861.7	4.8	3,268.9	1.5	3,349.5	2.5
Other Cheese	1,022.7	-1.6	1,091.3	6.7	4,366.5	3.2	4,450.4	1.9
Nonfat Dry Milk	202.4	-17.3	216.8	7.1	894.0	-11.2	867.3	-3.0
Fluid Milk Products 6/	13,934.8	0.4	13,871.1	-0.5	55,382.4	-0.1	55,175.7	-0.4

1/ Commercial disappearance includes civilian and military purchases of milk and dairy products for domestic and foreign use, but excludes farm household use and USDA donations of dairy products. Disappearance is a residual figure and therefore can be affected by any inaccuracies in estimating milk production, on-farm use, stocks, and imports. 2/ Milk-equivalent, milkfat basis. Calculated using slightly different factors than previously. Further changes may be made as technical parameters become available. 3/ Totals may not add because of rounding. 4/ From year earlier on a daily average basis. 5/ Commercial disappearance in product pounds. 6/ Sales. Estimate based on actual sales in Federal milk order marketing areas and California. These sales figures have not been adjusted for calendar composition. **SOURCE:** Economic Research Service, USDA. Fluid milk products - Agricultural Marketing Service, USDA. This information is now available through ERS AutoFAX. To request a document, dial (202) 694-5700 and enter document number 11521 when prompted.

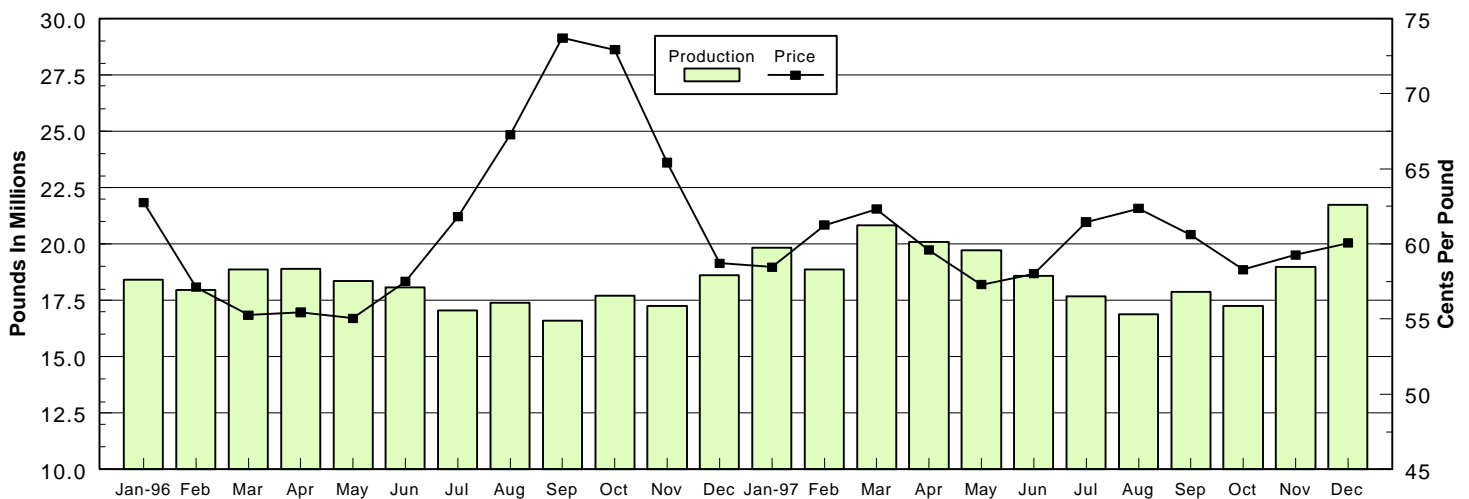
### Monthly WPC Production vs. WPC Central & West Extra Grade 34% Price

1998 - 1999 YTD



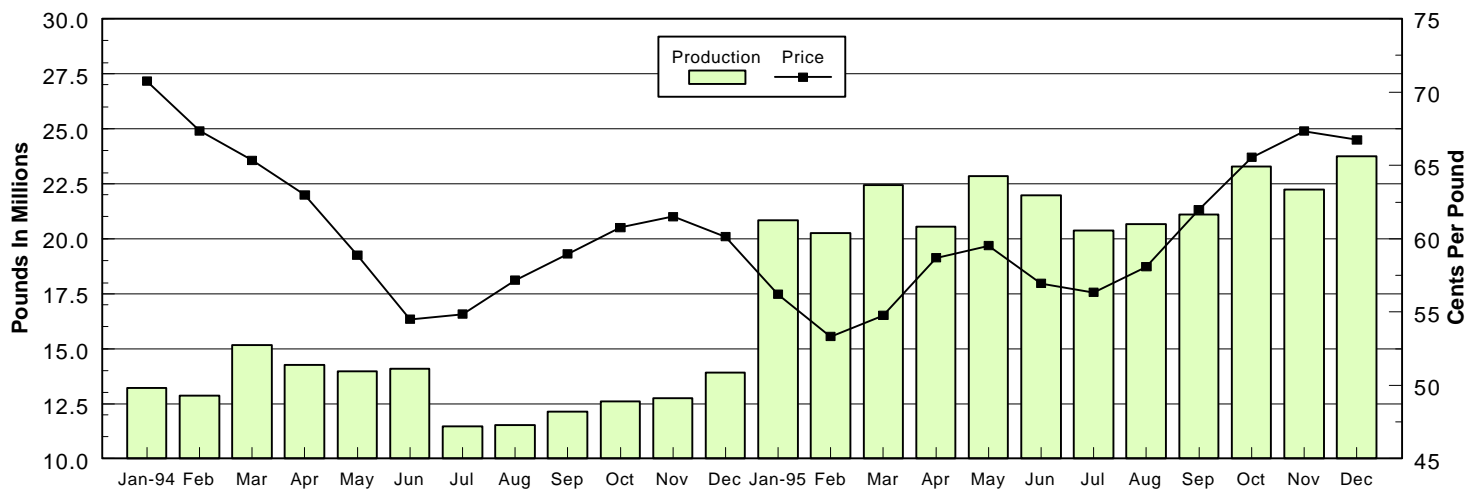
### Monthly WPC Production vs. WPC Central & West Extra Grade 34% Price

1996 - 1997



### Monthly WPC Production vs. WPC Central & West Extra Grade 34% Price

1994 - 1995



Source: USDA/ NASS and USDA/AMS Dairy Programs, Market News Branch

**Federal Milk Order Reform Final Decision: Product Price Averages**

The National Agricultural Statistics Service (NASS) began collecting, in September 1998, weekly prices and volume traded for butter, nonfat dry milk and dry whey. Monthly and two-week averages of these new price series, along with those already collected for cheese, will be used in the Federal milk order Final Decision pricing formulas. Listed below are these averages for the time period September 1998 to date. This table will be updated on a monthly basis as the data become available.

Year and Time Period	Product Price Averages <sup>1/</sup> For:									
	Class I/II					Class III/IV				
	Weeks ending	Butter	Cheese	Nonfat dry milk	Dry Whey	Weeks ending	Butter	Cheese	Nonfat dry milk	Dry Whey
	<u>Dollars per pound</u>					<u>Dollars per pound</u>				
<u>1998</u>										
Sep	9/4,11	2.5918	1.5842	1.0466	0.2624	9/4,11,18,25	2.6726	1.6260	1.0518	0.2637
Oct	10/9,16	2.4828	1.7597	1.0705	0.2563	10/2,9,16,23	2.5081	1.7607	1.0732	0.2544
Nov	11/6,13	2.0889	1.8269	1.0745	0.2426	10/30,11/6,13,20,27	1.9260	1.8278	1.0745	0.2425
Dec	12/4,11	1.3049	1.8552	1.0834	0.2450	12/4,11,18,25	1.3563	1.8643	1.0864	0.2436
<u>1999</u>										
Jan	1/9,16	1.4165	1.8198	1.0715	0.2213	1/2,9,16,23,30	1.4154	1.7225	1.0637	0.2137
Feb	2/6,13	1.2957	1.2824	1.0411	0.1909	2/6,13,20,27	1.2984	1.2925	1.0359	0.1897
Mar	3/6,13	1.3437	1.3056	1.0180	0.1913	3/6,13,20,27	1.3019	1.3064	1.0169	0.1917
Apr	4/10,17	1.0032	1.3154	1.0056	0.1842	4/3,10,17,24	1.0160	1.3126	1.0071	0.1845

<sup>1/</sup> These averages are the average of the applicable weekly prices weighted by the sales volume for the week. See the columns labeled "weeks ending" for applicable weeks. The most recently released information for the week will be used. Once an average price has been computed, it will not be revised even if NASS issues revised data for a week used to compute the average. However, for the period September-December 1998, as NASS was developing the three new price series, these averages were changed to include revisions issued after the average's scheduled computation date.

### Federal Milk Order Reform Final Decision: Comparison of Class I Mover and Class Prices to Current Pricing Provisions

The Federal milk order reform Final Decision carried a table that compared class prices calculated under the current pricing provisions to those computed using the formulas in the Final Decision for the period January 1994 through December 1998. Listed below is this table updated for January 1999 to date. Please note that the Class I price mover section has been changed as described in the footnote. Also, as it was stated in the Final Decision, this price information is shown for informational purposes only and should not be interpreted as the actual prices that would have occurred had the new pricing provisions been in effect.

Year and Month	Class I Mover <sup>1/</sup>		Class II Price		Class III Price		Class III-A/IV Price	
	Current	Final	Current	Final	Current	Final	Current	Final
1999	<u>Dollars per cwt.</u>							
January	16.84	17.44	17.14	14.31	16.27	15.85	13.12	13.45
February	17.34	16.90	17.64	13.72	10.27	11.35	12.78	12.71
March	16.27	12.74	16.57	13.47	11.62	11.51	12.36	12.56
April	10.27	12.75	10.57	12.05		11.64		11.26
May	11.62	11.67						

<sup>1/</sup> In the Final Decision, these figures were shown for the month which contained the prices used to compute the applicable price mover; that is, for December 1998, the figures of \$17.34 and \$17.44 were derived from December product price information. However, because of advance pricing, the figures for December 1998 do not set the Class I prices for December 1998. On this table, the figures are shown for the month for which the Class I price is set. The current Class I mover for January 1999 is the Basic Formula Price for November 1998. The final Class I mover for January 1999 is the figure computed for December 1998.

## CCC PURCHASES OF DAIRY PRODUCTS

	: FOR THE WEEK OF APRIL 26 - 30, 1999 :			: CUMULATIVE TOTALS :		: UNCOMMITTED INVENTORIES :	
	: TOTAL :	: CONTRACT :	: ADJUSTED :	: SINCE :	: SAME PERIOD :	: PERIOD ENDING :	: SAME PERIOD :
	: PURCHASES :	: ADJUSTMENTS :	: PURCHASES :	: 10/01/98 :	: LAST YEAR :	: 04/23/99 :	: LAST YEAR :
BUTTER	:	:	:	:	:	:	:
Bulk	: -0- :	: -0- :	: -0- :	: -0- :	: -0- :	: -0- :	: -0- :
Packaged	: -0- :	: -0- :	: -0- :	: -0- :	: -0- :	: -0- :	: -0- :
TOTAL	: -0- :	: -0- :	: -0- :	: -0- :	: -0- :	: -0- :	: -0- :
CHEESE	:	:	:	:	:	:	:
Block	: -0- :	: -0- :	: -0- :	: -0- :	: -0- :	: -0- :	: -0- :
Barrel	: -0- :	: -0- :	: -0- :	: -0- :	: -0- :	: -0- :	: -0- :
Process	: -0- :	: -0- :	: -0- :	: -0- :	: -0- :	: -0- :	: -0- :
TOTAL	: -0- :	: -0- :	: -0- :	: -0- :	: -0- :	: -0- :	: -0- :
NONFAT DRY MILK	:	:	:	:	:	:	:
Nonfortified	: 6,884,280 :	: 234,789 :	: 6,649,491 :	: 68,457,859 :	: 58,114,268 :	: -0- :	: -0- :
Fortified	: -0- :	: -0- :	: -0- :	: -0- :	: -0- :	: -0- :	: -0- :
TOTAL	: 6,884,280 :	: 234,789 :	: 6,649,491 :	: 68,457,859 :	: 58,114,268 :	: -0- :	: -0- :

## MILK EQUIVALENT, MILKFAT AND SKIM SOLIDS BASIS, OF ADJUSTED PURCHASES (MILLION POUNDS)

	MILKFAT*	SKIM**		MILKFAT*	SKIM**
	<u>BASIS</u>	<u>SOLIDS</u>		<u>BASIS</u>	<u>SOLIDS</u>
WEEK OF APRIL 26 - 30, 1999 =	1.5	77.4	COMPARABLE WEEK IN 1998 =	1.0	51.3
CUMULATIVE SINCE OCTOBER 1, 1998 =	15.1	796.8	CUMULATIVE SAME PERIOD LAST YEAR =	12.8	676.5
CUMULATIVE JANUARY 1 - APRIL 30, 1999 =	15.0	795.6	COMPARABLE CALENDAR YEAR 1998 =	11.1	585.1

\* Factors used for Milkfat Solids Basis: Butter times 21.80; Cheese times 9.23; and Nonfat Dry Milk times 0.22

\*\*Factors used for Skim Solids Basis: Butter times 0.12; Cheese times 9.90; and Nonfat Dry Milk times 11.64

CCC ADJUSTED PURCHASES SINCE 10/1/98 AND SAME PERIOD LAST YEAR (POUNDS) AND MILK EQUIVALENT AS A PERCENT OF TOTAL											
:	BUTTER		:	CHEESE		:	NONFAT DRY MILK		:	MILK EQUIVALENT	
REGION	1998/99	1997/98	:	1998/99	1997/98	:	1998/99	1997/98	:	1998/99	1997/98
MIDWEST	-0-	-0-	:	-0-	-0-	:	4,159,725	4,647,658	:	6.1	8.0
WEST	-0-	-0-	:	-0-	-0-	:	64,298,134	53,356,435	:	93.9	91.8
EAST	-0-	-0-	:	-0-	-0-	:	-0-	110,175	:	0.0	0.2
TOTAL	-0-	-0-	:	-0-	-0-	:	68,457,859	58,114,268	:	100.0	100.0

SUPPORT PURCHASE PRICES FOR DAIRY PRODUCTS PRODUCED ON OR AFTER JANUARY 1, 1999

MANUFACTURING MILK: Average Test 3.67% - \$9.90 per cwt.; 3.5% - \$9.80

## DOLLARS PER POUND

BUTTER: Bulk \$.6500; 1# Prints \$.6800

CHEESE: 40 & 60# Blocks \$1.1000; 500# Barrels \$1.0700; Process American 5# \$1.1525; Process American 2# \$1.1925

NONFAT DRY MILK: Nonfortified \$1.0100; Fortified \$1.0200; Instant \$1.1675

Dairy Cow & Total Cow Slaughter under Federal Inspection, by Regions & U.S., for Week Ending 04/10/99 & Comparable Week 1998 1/ 2/

Regions*											U.S. TOTAL		% DAIRY OF ALL	
	1	2	3	4	5	6	7	8	9	10	WEEK	SINCE JAN 1	WEEK	SINCE JAN 1
1999-Dairy cows HD (000)	0.2	1.0	5.2	6.2	17.2	2.0	2.3	0.7	9.9	2.8	47.6	717.5	48.0	43.9
1998-Dairy cows HD (000)	0.3	1.4	5.6	4.8	18.9	2.7	2.7	1.2	9.6	3.0	50.3	844.2	47.9	49.2
1999-All cows HD (000)	0.3	1.0	7.2	16.9	24.2	11.1	16.3	4.2	11.9	6.1	99.1	1,632.9		
1998-All cows HD (000)	0.3	1.4	7.7	15.2	26.0	14.4	17.4	5.7	10.8	6.1	105.1	1,715.1		

SOURCE: The slaughter data are gathered and tabulated in a cooperative effort by the Agricultural Marketing Service, The Food Safety and Inspection Service, and the National Agricultural Statistics Service, all of USDA.

1/ States included in regions are as follows: Region 1--ME, NH, VT, CT, MA, and RI; Region 2--NY and NJ; Region 3--DE, PA, WV, VA, and MD; Region 4--KY, TN, NC, SC, GA, AL, MS, and FL; Region 5--MI, OH, IN, IL, WI, and MN; Region 6--TX, OK, NM, AR, and LA; Region 7--IA, NB, KS, and MO; Region 8--MT, WY, CO, UT, ND, and SD; Region 9--CA, NV, AZ, and HA; Region 10--ID, OR, and WA. 2/ Totals may not add due to rounding.

## CCC MARKET PRICE PURCHASES

CUMULATIVE TOTAL CHEESE PURCHASES SINCE 10/1/98 = 46,887,151

THIS COMPARES TO 43,811,645 DURING THE COMPARABLE PERIOD LAST YEAR.

[illegible]